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UNCLAS DUSHANBE 002017

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STATE FOR SCA/CEN E.O. 12958: N/A

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SUBJECT: SUPERMARKET SWEEP - THE NEW LOOK OF GROCERIES IN TAJIKISTAN

¶1. (U) SUMMARY: A TAJIK-DUTCH JOINT VENTURE HAS CREATED THE FIRST WESTERN-STYLE SUPERMARKET CHAIN IN TAJIKISTAN, "ORIMA," FEATURING HUNDREDS OF IMPORTED PRODUCTS AIMED AT THE LOCAL MARKET. UTILIZING A SERIES OF EXCLUSIVE PRODUCT DISTRIBUTION

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AGREEMENTS, ORIMA IS QUICKLY EXPANDING WITH PLANS TO OPEN A TOTAL OF 15 STORES AROUND THE COUNTRY IN THE NEXT YEAR. ORIMA FACES THE USUAL DIFFICULTIES WITH CUSTOMS AND LOCAL GOVERNMENT INTERFERENCE, BUT HAS ACHIEVED OVER \$20 MILLION IN ANNUAL SALES, WITH ROOM TO GROW. END SUMMARY.

¶2. (U) AN EXPERIENCED AND INFLUENTIAL JOINT-VENTURE GROUP INTRODUCED THE ORIMA BRAND IN TAJIKISTAN. THE DUTCH M&P CO. GROCERY CHAIN CREATED ITS FIRST JOINT VENTURE IN TAJIKISTAN IN 1996, OPENING AN "M&P" STORE IN DUSHANBE. THE M&P JOINT VENTURE OPENED UP THE NEW "ORIMA" BRAND, WHICH STANDS FOR THE FIRST LETTERS OF THE GENERAL DIRECTOR'S NAME, ORIFOV MARUF. ORIFOV HOLDS SHARES IN TOJIKSODIROTBAK, WHICH IS CONNECTED WITH IZATULLO HAYOEV, FORMER PRIME MINISTER OF SOVIET TAJIKISTAN IN THE LATE 1980S AND EARLY 1990S, FROM THE POLITICALLY-POWERFUL KULOB REGION.

¶3. (U) ORIMA ([HTTP://ORIMA.TJ/ENG/INDEX\(ENG\).HTM](http://ORIMA.TJ/ENG/INDEX(ENG).HTM)) IS QUICKLY REVOLUTIONIZING GROCERY SHOPPING IN TAJIKISTAN. TAJIK CONSUMERS CAN NOW FIND PREVIOUSLY UNHEARD OF ITEMS ON ORIMA'S SHELVES: BARILLA PASTA, TORTILLA CHIPS, BRAZILIAN FROZEN CHICKENS, SPANISH OLIVE OIL, DANISH COOKIES, SRI LANKAN TEA, JUICES FROM

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RUSSIA, FROZEN SEAFOOD, AND MUCH MORE. ORIMA CONTROLS ALL ITS OWN TRANSPORTATION, AND SHIPMENTS COME MAINLY THROUGH THE SEAPORTS POTI (GEORGIA), NOVOROSSIYSK (RUSSIA), KLAIPEDA AND RIGA (LATVIA), THEN BY RAIL OR BY ROAD TO TAJIKISTAN. ORIMA PLANS TO FURTHER MODERNIZE THE TAJIK FOOD DISTRIBUTION MARKET BY BUILDING TAJIKISTAN'S FIRST REFRIGERATED WAREHOUSE. THE SUPERMARKET TARGETS NOT ONLY THE WEALTHY; MIDDLE AND LOWER-CLASS CONSUMERS ALSO CROWD INTO THE BRIGHTLY-LIT STORES. CONSUMERS RECEIVE A MAGNETIZED STRIP SHOPPER'S DISCOUNT CARD FOR 5% OFF EACH PURCHASE, AND THE STORES FEATURE CREDIT CARD POINT-OF-SALE TERMINALS. (COMMENT: THE CREDIT CARD TERMINALS HAVE NOT YET WORKED FOR EMBOFFS. END COMMENT).

¶4. (U) DESPITE ITS POLITICAL CONNECTIONS, M&P FACES HEADACHES WITH LOCAL GOVERNMENT INTERFERENCE. ORIFOV EXPRESSED FRUSTRATION DURING A MEETING WITH EMBOFFS ABOUT THE DUSHANBE MAYOR'S OFFICE, AND ITS KNACK FOR DELAYING THE OPENING OF NEW BUSINESSES IN DUSHANBE. BUREAUCRATS SIT ON DOCUMENTS FOR MONTHS UNTIL THE PRESIDENT OF THE COMPANY PERSONALLY BEGS THE OFFICIAL TO MOVE FORWARD, AND THEN ONLY STARTS WORKING WHEN SOMETHING IS IN HIS POCKET, ACCORDING TO ORIFOV. HE ALSO NOTED THE

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INEFFECTIVENESS OF NEW TAJIK VISA REGULATIONS, WHICH IN THEORY ALLOW NON-TAJIKS TO OBTAIN A VISA AT THE AIRPORT, WHILE REGISTERING THE VISITOR'S VISA AFTER ARRIVAL CAN TAKE TWO WEEKS.

¶15. (U) ORIMA FACES A CHRONIC SHORTAGE OF LOCAL DAIRY PRODUCTS IN DUSHANBE, WHICH ARE PRODUCED BY A MONOPOLY DAIRY FACTORY IN THE CAPITAL. ACCORDING TO ORIFOV, SEVERAL LOCAL BUSINESSPEOPLE AND ALSO FOREIGN INVESTORS HAVE ATTEMPTED TO INVEST IN THE INDUSTRY BUT WERE TURNED AWAY BY LOCAL OFFICIALS. NEITHER RICE NOR SOY MILK ARE AVAILABLE HERE AS SUBSTITUTES, BUT ORIMA MANAGES TO IMPORT MILK FROM RUSSIA TO FILL THE NEED.

¶16. (U) IN A PARTICULARLY EXCITING DEVELOPMENT, M&P IS OPENING UP A SOUTHERN FRIED CHICKEN FAST FOOD FRANCHISE IN DOWNTOWN DUSHANBE LATER THIS WEEK. THANKS TO A FRANCHISING AGREEMENT WITH THIS BRITISH FAST FOOD CHAIN, TAJIKS WILL BE ABLE TO ENJOY CRISPY (OR SPICY) SOUTHERN FRIED CHICKEN, CORN ON THE COB, COLESLAW AND BISCUITS, IN A KFC-MEETS-LONG JOHN SILVER'S ENVIRONMENT, OR IN HANDY TO-GO BOXES. EMBOFFS ATTENDING THE PRE-OPENING EVENT WERE GREETED BY SMILING EMPLOYEES AND FINGER LICKIN' GOOD CHICKEN. MANAGED BY ALISHER ORIFOV, MARUF'S SON, THIS OPENING REPRESENTS SEVERAL STEPS UP IN THE QUALITY OF

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RESTAURANT LIFE IN DUSHANBE.

¶17. (U) COMMENT: MARUF ORIFOV IS A FORWARD THINKER, WITH A COPY OF WAL-MART FOUNDER SAM WALTON'S BOOK ON HIS DESK. M&P HAS OPENED ITS OWN TRAINING CENTER FOR ALL ITS EMPLOYEES, WITH VISITING TRAINERS FROM MOSCOW, KAZAKHSTAN, CANADA, BELGIUM AND GREAT BRITAIN. IN ORIFOVS OPINION, TAJIKISTAN LACKS MANAGERS WHO CAN OPERATE A BUSINESS, AND NEW GRADUATES FROM TAJIK UNIVERSITIES KNOW LITTLE ABOUT ECONOMICS AND BUSINESS MANAGEMENT, LET ALONE CUSTOMER SERVICE. WITH 300 EMPLOYEES, ORIMA AND M&P MAY HELP PROVIDE SOME BASIC DISCIPLINE FOR TAJIKISTAN'S WORKFORCE TO SUCCEED IN FUTURE JOBS, MUCH LIKE McDONALDS IN THE UNITED STATES. END COMMENT.

JACOBSON